

Message Text

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ORIGIN OPIC-12

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DRAFTED BY:OPIC:GRAHAM WILLIAMS

APPROVED BY:EB/IFD/OIA:RSMITH

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SPECIAL CHARGE: OPIC

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FM SECSTATE WASHDC

TO AMEMBASSY TEHRAN PRIORITY

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FOR ELLSWORTH

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: AGRIBUSINESS COUNCIL (ARA/WFS)

1. ARA SERVICES INC., THE LARGEST U.S. INSTITUTIONAL FOOD SERVICE COMPANY, HAS DECIDED TO CUT BACK OVERSEAS ACTIVITIES AND THEREFORE TO DISCONTINUE THE OPERATIONS OF ITS SUBSIDIARY, WORLD FOOD SYSTEMS, INC. (WFS). OPIC HAS BEEN ASSISTING IN FINDING A SUITABLE NEW HOME FOR THE DEVELOPMENTALLY VALUABLE WFS, AND SUBSTANTIAL PROGRESS HAS BEEN MADE TOWARD AFFECTING ITS TRANSFER FROM ARA TO THE AGRIBUSINESS COUNCIL AND ITS MEMBERS.

2. THE COUNCIL IS A NON-PROFIT U.S. MEMBERSHIP ORGANIZATION ACTIVE IN BRINGING U.S. AGRIBUSINESS AND FOOD INDUSTRY SKILLS, THROUGH INVESTMENT, INCLUDING LONG-TERM CONTRACT, TO LDC PROBLEMS. SEVERAL YEARS AGO, WORKING WITH OPIC, THE COUNCIL ASSISTED IN BRINGING HAWAIIAN AGRONOMICS AND HARRIS FEEDING COMPANY TO IRAN. SINCE THEN THE COUNCIL HAS BEEN MORE ACTIVE, THROUGHOUT THE LDCS,
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IN IDENTIFYING AND INITIATING, AT THE REQUEST OF LDC GOVERNMENTS,

INVESTMENT PROJECTS INVOLVING QUALIFIED U.S. FIRMS. BESIDES PROVIDING WFS WITH SOLID AND DIVERSE FOOD INDUSTRY BACKING, THE PROPOSED COUNCIL ACQUISITION OF WFS SHOULD RESULT IN A BROADER, MORE EFFECTIVE PROGRAM FOR THE COUNCIL. ARA PROPOSES TO JOIN THE COUNCIL AND PROVIDE TECHNICAL BACKUP FOR WFS ACTIVITIES, ALTHOUGH LITTLE IS EXPECTED TO BE NEEDED.

3. COUNCIL PRESIDENT, KENNETH MUELLER, AND WFS VP SANFORD MEVORAH ARRIVING TEHRAN JULY 15 TO CONFER WITH A.R. ANSARI AND REZA RAZMARA OF THE IMPERIAL ORGANIZATION OF SOCIAL SERVICES (IOSS). PURPOSE OF CALL IS TO DETERMINE WHETHER IOSS WILL CONSENT TO THIS NEW CORPORATE SET-UP FOR THE IMPLEMENTATION OF A SERVICE CONTRACT WHICH IOSS HAD REQUESTED ARA/WFS TO PROPOSE AND WHICH WAS READY FOR PRESENTATION AT TIME OF ARA DECISION REFERRED TO IN FIRST PARAGRAPH. COUNCIL IS PREPARED TO GO AHEAD WITH ACQUISITION OF THE WFS BUSINESS FROM ARA IF IOSS CONTRACT CAN BE SIGNED.

4. BECAUSE OF STRONG DEVELOPMENTAL INFLUENCE OF WFS TYPE OF BUSINESS, OPIC LIKELY WILL RETAIN A CONTINUING INTEREST IN THEIR ACTIVITIES, PERHAPS A FINANCIAL ONE.

5. APPOINTMENTS REFERRED TO IN THIRD PARAGRAPH HAVE BEEN MADE BY WFS COUNSEL JOHN WESTBERG, AND ON ARRIVAL VISITORS WILL CONTACT HIM DIRECTLY. VISITORS STAYING AT INTERCONTINENTAL. VISITORS WILL CONTACT ELLSWORTH PROMPTLY FOR COURTESY CALL.

6. MEVORAH, FOR WFS, ALSO PLANS TO VISIT DIRECTOR U.S. TRADE CENTER IN CONNECTION WITH AMERICAN SOYBEAN ASSOCIATION U.S. EXPORT PROMOTION.

7. PLEASE NOTIFY MUELLER ASAP THAT KAMANGAR HAS SENT TELEX TO MR. NADER SALEH AND MR. VICTOR SARKOHAKI OF ZIARAN MEAT PRODUCTION CO. TO INVITE MUELLER TO VISIT THEIR FEEDLOT AND MEAT PLANT. MUELLER SHOULD CALL THEM AT 891-772 OR 824-063.

8. ALSO ADVISE MUELLER THAT HARRIS IS ABOUT TO SIGN CONTRACT TO DEVELOP AND MANAGE 100,000 ACRE GOP PROPERTY IN PAKISTAN. VENTURE WILL GROW ALFALFA AND VEGETABLES AND FATTEN SHEEP AND CALVES. GOP PARTNER IN THIS \$50.0 MILLION VENTURE IS SHEIK OF ABU-DHABI WHO WILL PROVIDE THE MARKET. HARRIS ALSO INTERESTED IN JORDAN, UNCLASSIFIED

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BUT HAD TO CANCEL PROPOSED VISIT LAST MAY DUE TO DIFFICULT U.S. BEEF SITUATION AT THAT TIME.

9. ALSO ADVISE MUELLER THAT KAMANGAR PREPARED TO SUPPLY WFS-IOSS CONTRACT WITH MEAT REQUIREMENTS IF SUPPLY GETS TIGHT, EVEN BEFORE ZIARAN PLANT OPENS NEXT YEAR. KISSINGER

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